



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Department of
Environmental Quality

Alan Matheson
Executive Director

DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
Director

M/037/0088

RECEIVED E-Mail

MAY 24 2016

Div. of Oil, Gas & Mining

MAY 24 2016

Ken Ezpeleta
Environmental Engineer
Lisbon Valley Mine
920 South County Road 313
La Sal, UT 84530

Dear Ken:

Subject: Underground Injection Control (UIC) Review of 'Preliminary Draft Baseline Hydrologic Study Plan for the Lower Lisbon Valley Area'; Lisbon Valley Mining Company; San Juan County

On Tuesday May 10, Dan Hall, Keith Eagan, and Candace Cady of the Utah Division of Water Quality (DWQ) met with representatives of Lisbon Valley Mining Company (LVM) to discuss LVM's plans for investigating the possible expansion of their copper mine by conventional open pit operations, in-situ recovery (ISR), or a combination of the two. At the meeting LVM submitted the subject document to DWQ requesting that we provide feedback based on regulatory requirements of the Ground Water Protection Program for expansion of the existing conventional open pit operations and the UIC Program for implementation of a new Class III injection well operation for in-situ recovery of copper. The following review is for the option involving Class III injection wells for in-situ recovery.

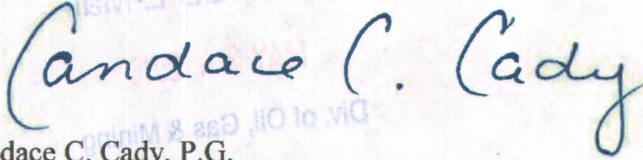
Given the complexity of the geologic structure in Lower Lisbon Valley as depicted in Figures 2, 3, and 4 and the distance between the proposed monitoring wells as shown on Figure 10 of the subject document, it is unlikely that the proposed baseline hydrologic study would provide sufficient resolution to demonstrate adequately hydraulic control in support of an aquifer exemption request or a UIC Class III permit application.

We highly recommend that LVM refer to permitting documents associated with the Florence Copper In-Situ Copper Recovery project in Arizona to gain an understanding of the detail required in preparing a successful application package supporting the timely issuance of a UIC Class III permit. As of this writing, the Arizona Department of Environmental Quality, Water Quality Division is in the process of issuing an Individual Aquifer Protection Permit to Florence Copper, supporting documents for which are available here: <http://www.azdeq.gov/environ/water/permits/>. USEPA Region 9 is preparing to issue its UIC Class III permit, permitting materials are available here: <https://www.epa.gov/uic/uic-permit-materials-florence-copper-inc> and permit application materials are available here: <https://www.epa.gov/uic/uic-permit-application-materials-florence-copper-inc-fci>.

Page 2

If you have any questions, please contact Candace Cady at 801.536.4352 or ccady@utah.gov.

Sincerely,

A handwritten signature in blue ink that reads "Candace C. Cady". The signature is written in a cursive style. In the background, there is a faint blue stamp that says "RECEIVED E-MAIL" and another stamp that says "Div. of Oil, Gas & Mining".

Candace C. Cady, P.G.
Environmental Scientist
Underground Injection Control (UIC) Program

CCC:ag

Cc: Mr. Mike Bradley, DOGM
Utah Southeast Health Department
Utah DEQ Southeast District Engineer